## SESSION 3 Q&A

Chair: Mathew Fox

First Assistant Secretary, Climate Diplomacy and Development Finance Division, DFAT

**Q. Matt Champness, Syntiro Agriculture:** I do a bit of work for FAO and the World Bank on rice. Thank you to all the presenters today. My question is to Tran Thu Ha. I have looked into the VnSAT project, which was followed on by the One Million Hectares rice project. Obviously, rice is a big contributor worldwide to global methane emissions, and it is seen as an easy win to reduce our methane production if we can change our practices. There have been some good reports and scientific articles showing huge success from the VnSat project and the like, but when we go and talk to farmers, they talk about increasing production costs, stagnating yields and reduced productivity. That's what farmers are saying. There have been newspaper articles about that and the like, and I'm very interested to see in your project governance structure and the advisory council you list DFAT, Deloitte, and national and international organisations. I did not see farmers on the advisory council.

The last presenter, who spoke just now, said community knowledge and practices are essential in his region to achieve on-ground outcomes. So the practice change that needs to occur to reduce greenhouse gas emissions is for the smallholder farmers to change their practices.

Where are they in the co-design process? Where are farmers sitting in the governance structure? Where is their input? Because as a rice farmer, to reduce emissions they have to change their irrigation practices to intermittent irrigation, which is a significant increase in labour. They have to change their residue practices, which is a significant increase in cost and labour, in the hope that they might get a carbon credit, or they might win a prize through their cooperative. But day-to-day they need to increase the time spent farming.

Where's the benefit? They're telling us that they're not seeing any production increase or profitability.

**A. Tran Thu Ha:** Thank you for your question. It is very interesting. So far, in this bipartisan project we mobilised the roles of the private sector to be the lead on working, outreaching to smallholder farmers and their co-op for the technology transfer, the advocacy, the contract farming, to ensure that farmers at least secured 30% of the profit margin. So you see, the results showed that farmers got 48–60% profit margin and rice price premium was provided to smallholder farmers. With that, they brought in the win–win situation. The low carbon rice farming practices do not necessarily mean that farmers have to do more work to practise more intermittent dry events. It is the co-op's role to collaborate with both the farmer and the competitors to regulate their irrigation schemes: the farmers don't have to do it manually. There has been coherent collaboration from the ground – smallholder farmers co-op and private sector rice businesses – to implement this initiative at scale.

Your other question is why are farmers not sitting in the governance structure and SNV advisory council. The advisory council is a neutral party to facilitate, not a decision-making body. It facilitates SNV decisions in a participatory way. One of their roles is to reveal the price calculation report provided by the third party verifier, so the farmer is one of the direct beneficiaries. If the competitor gets the monetary prize, the farmer shares in that. That is the reason why the farmers should not be sitting within the advisory council, to avoid the conflict of interest.

**Q. (female):** A question to Madonna. Thank you so much for the presentation. I was really taken aback by the wattle seed data you showed: the high protein content, high fibre, low carbohydrate. So why didn't it take off? What is needed there? Aren't there already special programs for Indigenous species here? Maybe I can attract your attention to the new program called VACS – the Vision for Adapted Crops and Soils. I think such a crop would be quite interesting to look at for the Australian ecosystems.

**A. Madonna Thomson:** Being only 3.3% of the total population, an even smaller percentage of that would be involved in the wild harvesting. What we need to do is look at how we can prepare those Indigenous businesses

and communities so they can meet an increased demand. Because if we don't have a program to enable that infrastructure, others will fill that gap – and they are filling that gap very rapidly, which is a shame because then we become marginalised yet again in an area that is so intrinsically a part of us culturally. That is the next step that we are looking at with the team and with QAAFI and with BBIEC: how do we work with targeted communities to look at infrastructure, for wattle seed, and then the Kakadu Plum?

We have had to focus on those two because we have already missed the others – they have already got massive markets and massive growers. So, if we can at least get some support with developing a research project around how to get the infrastructure required for key communities and Indigenous businesses – to develop not only the business model for how to scale and be prepared for what that is going to mean, but also what infrastructure do they need to do that. There is already talk about international export of wattle seed, and Indigenous communities are not big players in that.

**Chair:** Well, this brings this session to a close. I just want to say thank you very much to Mark, to Madonna and to Hussein for sharing their rich knowledge and stories with us today that truly do embody the principles of partnership, participation, local leadership and co-design. Thank you very much, everybody.